

SMALL BUSINESS Annual Report

State of California. Department of General Services. Office of Small Business Certification & Resources

1998/99



AN ANNUAL REPORT ON THE PARTICIPATION OF SMALL BUSINESS IN STATE CONTRACTING

SUBMITTED BY
THE OFFICE OF SMALL BUSINESS CERTIFICATION AND RESOURCES
PURSUANT TO CALIFORNIA GOVERNMENT CODE 14840

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Small Business WORKS FOR CALIFORNIA

The impact of small business on the California economy is phenomenal. According to the California Trade and Commerce Agency:

- Ninety-eight percent of all California businesses are small businesses
- Half of all employment is in small business
- More new jobs were created in small businesses than in large businesses

Small businesses generate jobs, provide economic opportunity, and boost California's economic output.

That's why the California Legislature continues to pass legislation that benefits small business, and it's why the **Office of Small Business Certification and Resources** exists: to provide support and opportunity for California's small businesses and to encourage small business participation in state contracting.

In 1973, the California State Legislature enacted the Small Business and Procurement Contract Act, which, in part, states that the state should “aid, counsel, assist, and protect . . . the interests of small business concerns in order to preserve free competitive enterprise and to ensure that a fair proportion of the total purchases and contracts or subcontracts for property and services for the state be placed with such enterprises.” (CA Government Code Section 14836)

The Office of Small Business Certification and Resources (OSBCR), under the direction of the Department of General Services, plays a significant role in implementing the Small Business and Procurement Contract Act. In fact, everything the OSBCR does helps to increase participation in state contracting, particularly participation by traditionally underrepresented groups like small and disabled veteran businesses.

WHAT IS A SMALL BUSINESS?

A lot of businesses call themselves “small,” but in order to qualify for small business benefits with the State of California, a business must apply for and receive status as a “Certified Small Business.” To do so, businesses complete an application and submit it to the OSBCR along with the appropriate business and tax documents.

Small businesses who become certified receive the following benefits:

- A 5 percent bidding preference on qualifying state contracts, allowing those businesses to compete more effectively for state contracting opportunities;
- Special benefits under the Prompt Payment Program, entitling certified small businesses to higher interest payments on late, undisputed state invoices, and allowing the the certified business to purchase a “rubber stamp” which alerts state agencies to their small business status.

INCREASING SMALL BUSINESS PARTICIPATION

The OSBCR works hard to in-

sure California's small businesses have access to the information they need to become certified and to participate in the state's contracting opportunities.

We do this by educating small businesses about bidding opportunities and by educating the state contracting community to insure they know how to find and integrate small business into their contracts.

The highlights of the OSBCR's small business outreach include:

- On-going enhancement of our web page where users can . . .

. . . search on-line for service and construction contracting opportunities

. . . download the application for small business certification as well as other helpful publications

. . . do a database query to find certified small (or disabled veteran) businesses

. . . and much more

We invite readers to visit our web page and find out for themselves how useful it is:

www.dgs.ca.gov/osbcr

- Business Community Training offered monthly

in various communities throughout the state where small businesses come together for a two day seminar to learn more about how to par-



ticipate effectively in the state contracting process.

- Business Community Workshops, no-cost meetings held monthly in Sacramento, designed to give business community attendees an overview of state contracting programs.
- State Agency Training where state contracting officials spend three days learning how to locate small businesses, how to apply contracting preferences, and how to implement the state's other economic incentive programs.
- Coordination of the State Contracting Small Business Advocate Program whose goal is to increase small business participation in state contracting (see page 5).

- Coordination of the state's Business Expansion Council, a quarterly forum that brings together state contracting and purchasing officials, to develop methods for increasing small business participation in their contracts.
- Attendance at various conferences and trade-shows throughout the state to present the opportunity for small business certification and participation.
- Publication of:
 - *Your Business Guide to State Contracting*
 - *The State Contracting Resource Packet*
 - *State Contracting and Purchasing Officials Directory*
 - *OSBCR Communicates*, a quarterly newsletter for the small business community.

Legislation WORKS FOR SMALL BUSINESS

It was a good year for small business.

In January, 1999, four significant pieces of legislation became effective, all of which impact small business participation in state contracting.

- **Assembly Bill 2405:**
Appointment of Small Business Advocates
- **Assembly Bill 2505:** New Small Business Definition
- **Assembly Bill 2275:**
Revised California Prompt Payment Act
- **Assembly Bill 835:** Simplified Contract Awards to Small Business

These new laws are discussed on the following pages.

State Contracting Small Business Advocates Help Small Business Succeed: AB 2405

This new legislation establishes a state contracting small business advocate network within state service, requiring all state agencies with an annual contracting program of \$100,000 or more to appoint a Small Business Advocate.

The advocates serve as liaisons between their state agencies and the small business community, answering questions, helping small businesses get paid on time, and increasing opportunity for small business participation in their agency's contracts.

Small Business Advocates have many opportunities for helping their agencies increase small business participation. The new advocates are encouraged to:

- Identify and implement innovative acquisition processes to further small business participa-

tion;

- Prepare bid solicitations that make it easier for small businesses to respond.
- Consider small businesses under the California Multiple Award Schedule (CMAS). If state agencies choose CMAS vendors who are also certified small businesses, they are exempt from paying the 1.21 percent CMAS administrative fee.

There is currently an active network of over 130 small business advocates statewide who meet quarterly. Those quarterly forums include educational presentations, and the opportunity to exchange ideas for increasing small business participation statewide.



The Definition of “Small Business” Has Changed: AB 2505

Now more small businesses can take advantage of California’s “Small Business” benefits.

Assembly Bill 2505 changed the definition of a small business, allowing more California companies to take advantage of benefits offered to small business and encouraging more small business participation in state contracting.

Before the new legislation went into effect, small businesses were certified by “industry groups,” which identified the type of product or service the firm offered. Each industry group had a specific three-year, gross annual receipt threshold, ranging from \$1,500,000 to \$17,000,000. Businesses whose gross receipts were below those specified dollar thresholds (and who met the other general small business criteria) qualified for small business certification.

AB 2505 makes four significant changes to the definition of a small business:

- Three-year gross annual receipt levels are raised to \$30,000,000 for all service, construction, and non-manufacturing firms, regardless of the product or service the firm offers;
- All firms must have 100 or fewer employees;
- For the purposes of marketing only, firms may now identify the products and services they offer by choosing from over 1,000 SIC (Standard Industrial Classification) codes instead of the previous, 170 industry groups.
- Manufacturing firms do not have dollar thresholds, but they must have 100 or fewer employees and be classified by the appropriate SIC codes.

With these changes in place,



the new definition of a small business now reads as follows:

Stated Office of Management and Budget, 1987 edition.

A Small Business means:

1. An independently owned and operated business
2. Not dominant in its field of operation
3. The principal office located in California
4. The officers domiciled in California, and
5. Together with affiliates is either:
 - A service, construction, or non-manufacturer with 100 or fewer employees, and average annual gross receipts of \$10,000,000 or less over the previous three years, or
 - A manufacturer with 100 or fewer employees

Manufacturer means a business that is both of the following:

1. Primarily engaged in the chemical or mechanical transformation of raw materials or processed substances into new products.
2. Classified between Codes 2000 to 3999, inclusive, of the SIC Manual published by the United

Revised Prompt Payment Provisions Make it Easier for Small Business to do Business with the State: AB 2275

Like all of us, small businesses want to be paid on time for the work they've done. In fact, small businesses have told us that their biggest concern—and the biggest barrier preventing them from participating in state contracting—is the issue of prompt payment of state invoices.

The state has long been aware of this issue, and there have been laws in place for some time to encourage prompt payment, but AB 2275 strengthens existing law and puts more of the responsibility for prompt payment on state agencies.

AB 2275 requires the state to pay properly submitted, undisputed invoices within 45 days of receipt or automatically calculate and pay the appropriate late payment penalties.

Specifically, this new legislation requires the following:

- From the day a state agency receives an invoice until the day a payment warrant is issued shall not be more than 45 calendar days, 30 days at the state agency and 15 days at the Office of the State Controller.
- State agencies and the Controller's Office must automatically pay applicable penalties, without requiring that the contractor submit an additional invoice for these amounts.
- The small business late penalty payment due the contractor is 0.25 percent of the amount due, per calendar day, from the required payment date.
- Annually, within 90 calendar days following the end of each fiscal year, state agencies must report to the Department of General Services late payment penalties paid by their agency, includ-



ing the total number and dollar amount of such payments.

OSBCR and State Contracting Advocates Help Small Business Receive Prompt Payment

importance of retaining small business contractors by paying them on time.

The OSBCR markets the Prompt Payment Program to small businesses and qualified non-profit firms. These organizations can purchase a "rubber stamp" which alerts state agencies to their eligibility for Prompt Payment benefits.

All newly certified small businesses are alerted to the availability of the Prompt Payment Rubber Stamp and given an opportunity to purchase the stamp for a nominal fee.

In addition, one of the primary responsibilities of the new State Contracting Small Business Advocates is to assist small businesses by providing information on prompt payment procedures.

The OSBCR and the State Contracting Small Business Advocates continue to seek methods for informing small and non-profit firms of the Prompt Payment benefits available to them, and educating state agencies on the

It's Now Easier to Award Small Contracts to Small Business: AB 835

AB 835 makes it easier for state agencies to award small contracts to small business without advertising.

Under this new law, a state agency may award a contract for the acquisition of goods, services, or information technology that has an estimated value of greater than \$2,500, but less than \$50,000, to a small business, as long as the agency obtains price quotes from two or more small businesses.

This new law not only makes it easier for state agencies to improve their small business participation, it makes it easier for qualified small businesses to participate in state contracting. The new awarding procedure has proven especially effective for the award of commodities and information technology services.

The new legislation helps make small business participation a reality for all of California's small businesses.



State Agencies MAKE SMALL BUSINESS WORK

State contracting officials are the glue that holds the state's small business participation program together. Without the hard work and creativity of these officials, California's contracts would not be nearly so diverse.

The methods used by state contracting officials to attract small business to their contracts vary greatly. What is clear is that those officials who are successful—and there are many—are those who take a hard look at their agencies' unique business needs, and personalize their small business outreach to suit those needs.

The case studies presented here are only a sampling of many small business success stories to be found in the state.

California State University: Reaching Out to California's Small Business Community

The California State University is the largest university system in the Americas, enrolling over 340,000 students, and contracting out over \$270 million last year to California's businesses.

According to Loren House, CSU Small Business Advocate and Contracts Specialist, each of the 23 CSU campuses operates autonomously, and each has its own methods—and degrees of success—for reaching small business. But systemwide, CSU contracted out over \$24 million to small business last year. And many of the campuses have a unique way of reaching those businesses.

- Each year, campuses hold workshops to educate local businesses on how to do business with the university. The workshops include presentations on how to become certified as a small business, how to take advantage of the state's other economic incentive programs, how a CSU procurement is run, and more. Workshops often include a trade-show environment where local business visitors can visit tables and pick up helpful information from state and university officials. Campuses advertise the events in local newspapers and magazines.
- In addition to reaching out to the small business community, the CSU system makes sure to train its own contracting officials on the importance of small business participation. The CSU system holds an annual conference for everyone involved in the contracting process and trains them how to find and include small businesses in their campuses' contracts.
- Another project CSU has undertaken is to make certain all of its women or minority vendors are also small business certified.

In all of its outreach activities, CSU makes certain that small businesses know the opportunities available to them, and understand how to participate in the university bidding process.

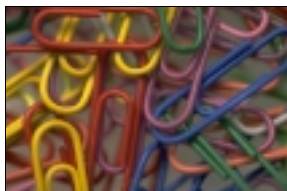
The Office of Real Estate Appraisers Turns Small Purchases Into Small Business Success

Like so many of the contracting officials we talk to, the Small Business Advocate for the Office of Real Estate Appraisers believes the key to small business success is ensuring that current vendors are small business certified.

Peggy Okabayashi, Small Business Advocate and Chief of the Management Services Branch of the Office of Real Estate Appraisers (OREA) says it's difficult for her small office to contract out to small business because so many of OREA's contracts are interagency agreements. Despite the difficulty, OREA managed to contract out over 20 percent (nearly \$20,000) of its total contracting dollars to small business this fiscal year.

Peggy's strategy for success is to target small businesses that provide office supplies by using the OSBCR's on-line database of certified firms. Her office purchases nearly all their office supplies from local small businesses, and she's often impressed by how well those small businesses compete with the larger office supply stores.

Peggy also credits support and encouragement from the Agency level—Business, Transportation and Housing—for her office's success. Agency executives keep an eye on the progress of its departments, and quarterly reports are submitted to the Agency which compiles and analyzes the results before sending them on to the OSBCR.





For Prison Industry Authority the Key is “Education”

At the California Institute for Men in Chino, they have cows, lots of cows. The bovines are part of the Prison Industry Authority's (PIA's) agricultural work program that provides work for thousands of inmates statewide. The Chino dairy is one of four PIA-run dairies, providing milk for prisons and state hospitals throughout California.

When Joe Odette, an Industrial Supervisor I at Chino, needed feed for his cows, he called a local supplier. Joe told the vendor that his business would probably qualify for small business certification, and suggested the vendor contact Gloria Anderson, PIA's Small Business Advocate and Service Contracts Manager. Gloria explained the certification process to the vendor, he downloaded the application from the Internet, completed it, and called the OSBCR to make an appointment for certification.

It sounds so simple, doesn't it? PIA simply *asks* qualified vendors to become certified. But such “simplicity” requires a lot of planning.

PIA has developed a number of interesting methods to encourage small business certification and participation:

- Every vendor doing business with a state agency must have a Payment Data Record on file with that agency before they can be paid. When PIA sends the Payment Data Record to a vendor, they also send information about how to become certified as a small business.
- PIA maintains 70 industries at 23 prisons statewide. To keep the staff informed of small business opportunities, Gloria created a “Quick Fax” she sends to PIA administrators informing them of resources available through the OSBCR.
- All certified small businesses are listed on the OSBCR's homepage for easy retrieval, but prisons don't have Internet access. So how do remote PIA facilities locate certified firms? Gloria has a student assistant in Sacramento who responds to requests from PIA facilities, searches the on-line database, and faxes the remote facility a list of potential vendors.

Joe could have purchased his feed from any vendor (we don't think the cows would have cared). But because of his knowledge and Gloria's educational efforts, another California small business is certified and participating in California's contracting opportunities.

Department of Developmental Services Scores High in Small Business Participation

A review of the small business participation statistics at the end of this report shows an impressive total of over \$430 million contracted to small businesses statewide during fiscal year 98/99. Of the 85 departments reporting, only 8 of those achieved a success rate over 30 percent. Of course, the numbers don't tell the whole story, but we decided to take a look at one of those "high achievers" and find out how they did it.

After talking with Frank Favela, Small Business Advocate and Chief of the Customer Support Section at the Department of Developmental Services, one comes away with the feeling that achieving his department's impressive 34 percent success rate was no trouble at all. Of course, we know that contracting out over \$18 million to small businesses must have taken a lot of hard work and planning.

Frank works in the DDS headquarters, and together with his main Procurement analyst, Howard Kiefer, encourages small business participation at the DDS headquarters and their five developmental centers statewide.

Howard reviews all headquarters purchases and provides a consistent reminder to staff to include small businesses in their purchase requests. Frank works with the development centers and educates center contracting officials about the importance of including small business. In fact, twice a year, the DDS convenes a meeting with its contracting officials and includes small business participation on the agenda.

In a recent contract for janitorial services, the contracting official included a clause stating that the vendor should consider small business first in any sub-contracting opportunities.

The DDS doesn't stop with educating its staff. It is currently considering an opportunity to partner with other state departments in the Southern California region to hold a business fair, encouraging small businesses to bid on state contracts.

By focusing its attention both inward to its own departmental personnel, and outward to the surrounding small businesses, the DDS managed to achieve an impressive rate of small business participation.

State Agency SMALL BUSINESS PARTICIPATION

Most state agencies report their small business participation to the OSBCR.

Beginning July 1, 1998, small business participation monitoring was changed from annual to quarterly. OSBCR believes that quarterly monitoring will allow agencies to better regulate their small business participation.

The numbers shown in the following reports were compiled by the OSBCR based on quarterly reports submitted by departments or agencies.

Small Business Participation

By Department of General Services
FY 98/99

Office	Total Contract	Small Business Contract Dollars	Office Small Business %
DGS - ADMINISTRATIVE HEARINGS	\$3,183,683	\$209,998	6.6%
DGS - EXECUTIVE OFFICE	\$2,003,460	\$54,331	2.7%
DGS - FISCAL SERVICES	\$1,567,585	\$21,174	1.4%
DGS - FLEET ADMINISTRATION	\$4,943,775	\$476,363	9.6%
DGS - HUMAN RESOURCES	\$187,113	\$49,164	26.3%
DGS - LEGAL SERVICES	\$117,334	\$0	0.0%
DGS - PROCUREMENT	\$320,268,246	\$97,975,788	30.6%
DGS - PUBLIC SCHOOL CONST.	\$591,157	\$2,220	0.4%
DGS - REAL ESTATE SERVICES	\$205,620,898	\$17,797,004	8.7%
DGS - RISK & INSURANCE MGT	\$599,745	\$92,097	15.4%
DGS - SMALL BUSINESS CERT.	\$484,776	\$181,895	37.5%
DGS - STATE ARCHITECT	\$2,031,970	\$230,256	11.3%
DGS - STATE PUBLISHING	\$24,190,555	\$1,822,838	7.5%
DGS - TELECOMMUNICATION	\$9,764,455	\$535,672	5.5%
DEPARTMENT TOTALS	\$575,554,752	\$119,448,800	20.8%

SMALL BUSINESS PARTICIPATION BY DEPARTMENT

Small Business Participation

Contract Totals by Department

FY 98/99

Department	Total Contract Dollars	Small Business Contract Dollars	Department Small Business %
Air Resources Board	\$18,010,732	\$2,915,205	16.2%
Alcohol & Drug Programs	\$3,158,157	\$812,269	25.7%
Alcoholic Beverage Control	\$466,893	\$78,305	16.8%
Board of Corrections	\$38,160	\$8,692	22.8%
Board of Equalization	\$14,850,858	\$4,742,614	31.9%
Board of Prison Terms	\$1,256,966	\$300,369	23.9%
Boating & Waterways	\$4,702,065	\$3,385,982	72.0%
Building Standards Commission	\$1,755	\$1,755	100.0%
Business, Transportation, Housing Agency	\$249,776	\$6,061	2.4%
California Arts Council	\$166,713	\$36,639	22.0%
California Coastal Commission	\$221,681	\$51,937	23.4%
California Community Colleges	\$183,520	\$104,775	57.1%
California Conservation Corps	\$7,811,941	\$795,272	10.2%
California Environmental Protection Agency	\$407,151	\$16,192	4.0%
California Exposition and State Fair	\$6,732,184	\$780,803	11.6%
California Highway Patrol	\$15,524,487	\$5,654,208	36.4%
California Lottery	\$47,810,826	\$1,948,351	4.1%

Department	Total Contract Dollars	Small Business Contract Dollars	Department Small Business %
California State Library	\$1,946,441	\$296,323	15.2%
California State University	\$277,197,907	\$24,966,555	9.0%
California Trade & Commerce Agency	\$20,567,129	\$4,990,140	24.3%
Coastal Conservancy	\$1,450,810	\$328,803	22.7%
Commission on Aging	\$0	\$0	0.0%
Commission on State Mandates	\$99,824	\$8,439	8.5%
Commission on Teacher Credentialing	\$9,991,945	\$495,913	5.0%
Community Services & Development	\$1,025,702	\$99,420	9.7%
Consumer Affairs	\$92,299,376	\$2,677,005	2.9%
Corporations	\$3,643,611	\$727,488	20.0%
Corrections	\$788,965,011	\$43,087,274	5.5%
Criminal Justice Planning	\$1,352,946	\$380,558	28.1%
Developmental Services	\$53,180,571	\$18,308,775	34.4%
Education	\$30,297,832	\$1,037,855	3.4%
Emergency Medical Services Authority	\$276,309	\$61,386	22.2%
Emergency Services	\$5,443,963	\$682,313	12.5%
Employment Development Department	\$45,156,957	\$6,895,286	15.3%
Energy Commission	\$33,988,727	\$2,731,257	8.0%
Environmental Health Hazard Assessment	\$447,745	\$56,900	12.7%
Fair Employment & Housing	\$527,986	\$26,786	5.1%

Department	Total Contract Dollars	Small Business Contract Dollars	Department Small Business %
Finance	\$495,853	\$37,107	7.5%
Financial Institutions	\$549,992	\$130,405	23.7%
Fish & Game	\$40,548,249	\$1,021,084	2.5%
Food & Agriculture	\$12,431,798	\$9,032,962	72.7%
Forestry & Fire Protection	\$9,437,875	\$887,359	9.4%
Franchise Tax Board	\$65,592,064	\$4,394,960	6.7%
General Services	\$575,554,752	\$119,448,800	20.8%
Health & Welfare Data Center	\$150,189,116	\$28,388,687	18.9%
Health Services	\$155,539,531	\$6,991,675	4.5%
Horse Racing Board	\$2,755,380	\$34,903	1.3%
Housing & Community Development	\$3,177,115	\$173,453	5.5%
Housing Finance Agency	\$0	\$0	0.0%
Industrial Relations	\$6,949,124	\$344,525	5.0%
Insurance	\$9,445,348	\$938,346	9.9%
Integrated Waste Management Board	\$7,914,315	\$577,491	7.3%
Justice	\$36,196,487	\$6,015,914	16.6%
Managed Risk Medical Insurance Board	\$271,256	\$18,786	6.9%
Mental Health	\$99,209,238	\$4,980,851	5.0%
Military	\$6,537,217	\$907,213	13.9%
Motor Vehicles	\$60,440,640	\$13,418,496	22.2%

Department	Total Contract Dollars	Small Business Contract Dollars	Department Small Business %
Parks & Recreation	\$54,182,970	\$5,376,440	9.9%
Peace Officer Standards and Training	\$13,524,013	\$373,478	2.8%
Personnel Administration	\$3,675,367	\$756,891	20.6%
Pesticide Regulation	\$3,722,905	\$803,862	21.6%
Prison Industry Authority	\$61,744,534	\$9,176,632	14.9%
Public Defender's Office	\$2,002,604	\$214,800	10.7%
Public Employees Retirement System	\$95,619,458	\$1,736,561	1.8%
Real Estate	\$1,677,837	\$83,071	5.0%
Real Estate Appraisers	\$86,885	\$19,095	22.0%
Rehabilitation	\$14,247,239	\$371,441	2.6%
Secretary of State	\$4,125,440	\$189,868	4.6%
Social Services	\$17,681,469	\$3,852,083	21.8%
State Board of Control	\$7,190,550	\$262,738	3.7%
State Lands Commission	\$1,036,422	\$98,927	9.5%
State Personnel Board	\$1,718,505	\$782,072	45.5%
State Treasurer	\$3,228,234	\$275,212	8.5%
Statewide Health Planning & Development	\$2,365,796	\$603,424	25.5%
Student Aid Commission	\$25,958,726	\$943,190	3.6%
Summer School for the Arts	\$944,040	\$0	0.0%
Teachers' Retirement System	\$8,711,530	\$1,709,453	19.6%

Department	Total Contract Dollars	Small Business Contract Dollars	Department Small Business %
Teale Data Center	\$17,352,626	\$495,332	2.9%
Toxic Substances Control	\$11,647,027	\$1,645,920	14.1%
Traffic Safety Program	\$1,303,234	\$3,419	0.3%
Transportation	\$693,288,777	\$59,494,438	8.6%
Veterans Affairs	\$10,041,955	\$410,837	4.1%
Water Resources	\$129,359,764	\$11,182,955	8.6%
Water Resources Control Board	\$9,269,205	\$382,038	4.1%
Youth Authority	\$29,328,891	\$2,127,477	7.3%
Statewide Totals	\$3,957,726,011	\$430,612,576	10.9%

SMALL BUSINESS PARTICIPATION BY CONTRACT CATEGORIES
(COMMODITY, SERVICE, CONSTRUCTION)

Small Business Participation
By Department and Contract Categories
FY 98/99

Department	Commodity			Service			Construction		
	Total Contract Dollars	Small Business Contract Dollars	Dept SB %	Total Contract Dollars	Small Business Contract Dollars	Dept SB %	Total Contract Dollars	Small Business Contract Dollars	Dept SB %
Air Resources Board	\$8,563,710	\$1,213,106	14.2%	\$9,447,022	\$1,702,099	18.0%	\$0	\$0	0.0%
Alcohol & Drug Programs	\$899,379	\$443,721	49.3%	\$2,258,778	\$368,548	16.3%	\$0	\$0	0.0%
Alcoholic Beverage Control	\$202,660	\$53,847	26.6%	\$264,233	\$24,458	9.3%	\$0	\$0	0.0%
Board of Corrections	\$18,090	\$7,168	39.6%	\$20,070	\$1,524	7.6%	\$0	\$0	0.0%
Board of Equalization	\$3,707,377	\$1,509,288	40.7%	\$11,143,481	\$3,233,326	29.0%	\$0	\$0	0.0%
Board of Prison Terms	\$548,512	\$48,342	8.8%	\$708,454	\$252,027	35.6%	\$0	\$0	0.0%
Boating & Waterways	\$1,463,219	\$303,521	20.7%	\$1,854,680	\$1,698,295	91.6%	\$1,384,166	\$1,384,166	100.0%
Building Standards Commission	\$0	\$0	0.0%	\$1,755	\$1,755	100.0%	\$0	\$0	0.0%
Business, Transportation, Housing Agency	\$33,677	\$5,083	15.1%	\$216,099	\$978	0.5%	\$0	\$0	0.0%
California Arts Council	\$119,895	\$21,599	18.0%	\$46,818	\$15,040	32.1%	\$0	\$0	0.0%
California Coastal Commission	\$203,312	\$49,713	24.5%	\$18,369	\$2,224	12.1%	\$0	\$0	0.0%
California Community Colleges	\$9,245	\$9,245	100.0%	\$174,275	\$95,530	54.8%	\$0	\$0	0.0%

Department	Commodity			Service			Construction		
	Total Contract Dollars	Small Business Contract Dollars	Dept SB %	Total Contract Dollars	Small Business Contract Dollars	Dept SB %	Total Contract Dollars	Small Business Contract Dollars	Dept SB %
California Conservation Corps	\$2,171,811	\$681,519	31.4%	\$5,538,140	\$89,294	1.6%	\$101,990	\$24,459	24.0%
California Environmental Protection Agency	\$173,901	\$16,192	9.3%	\$233,250	\$0	0.0%	\$0	\$0	0.0%
California Exposition and State Fair	\$3,160,152	\$370,019	11.7%	\$3,572,032	\$410,784	11.5%	\$0	\$0	0.0%
California Highway Patrol	\$8,498,604	\$3,516,910	41.4%	\$5,925,521	\$1,501,166	25.3%	\$1,100,362	\$636,132	57.8%
California Lottery	\$2,194,624	\$89,601	4.1%	\$45,483,202	\$1,725,750	3.8%	\$133,000	\$133,000	100.0%
California State Library	\$821,184	\$157,075	19.1%	\$1,111,715	\$139,248	12.5%	\$13,542	\$0	0.0%
California State University	\$141,361,700	\$10,974,556	7.8%	\$66,706,403	\$4,731,024	7.1%	\$69,129,804	\$9,260,975	13.4%
California Trade & Commerce Agency	\$1,635,826	\$273,319	16.7%	\$18,931,303	\$4,716,821	24.9%	\$0	\$0	0.0%
Coastal Conservancy	\$73,583	\$16,351	22.2%	\$1,377,227	\$312,452	22.7%	\$0	\$0	0.0%
Commission on Aging	\$0	\$0	0.0%	\$0	\$0	0.0%	\$0	\$0	0.0%
Commission on State Mandates	\$60,801	\$8,439	13.9%	\$39,023	\$0	0.0%	\$0	\$0	0.0%
Commission on Teacher Credentialing	\$2,780,306	\$437,708	15.7%	\$7,211,639	\$58,205	0.8%	\$0	\$0	0.0%
Community Services & Development	\$537,553	\$86,356	16.1%	\$487,882	\$13,064	2.7%	\$267	\$0	0.0%
Consumer Affairs	\$18,643,625	\$550,499	3.0%	\$73,467,273	\$2,083,970	2.8%	\$188,478	\$42,536	22.6%

Department	Commodity			Service			Construction		
	Total Contract Dollars	Small Business Contract Dollars	Dept SB %	Total Contract Dollars	Small Business Contract Dollars	Dept SB %	Total Contract Dollars	Small Business Contract Dollars	Dept SB %
Corporations	\$1,579,045	\$369,595	23.4%	\$2,064,566	\$357,893	17.3%	\$0	\$0	0.0%
Corrections	\$184,335,260	\$32,702,868	17.7%	\$602,833,331	\$9,873,767	1.6%	\$1,796,420	\$510,639	28.4%
Criminal Justice Planning	\$624,228	\$270,061	43.3%	\$728,718	\$110,497	15.2%	\$0	\$0	0.0%
Developmental Services	\$33,385,338	\$10,453,872	31.3%	\$13,996,252	\$2,965,930	21.2%	\$5,798,981	\$4,888,973	84.3%
Education	\$5,762,882	\$770,689	13.4%	\$24,534,950	\$267,166	1.1%	\$0	\$0	0.0%
Emergency Medical Services Authority	\$173,221	\$19,253	11.1%	\$103,088	\$42,133	40.9%	\$0	\$0	0.0%
Emergency Services	\$4,493,392	\$649,671	14.5%	\$950,571	\$32,642	3.4%	\$0	\$0	0.0%
Employment Development Department	\$23,094,615	\$5,531,604	24.0%	\$20,522,857	\$1,033,273	5.0%	\$1,539,485	\$330,409	21.5%
Energy Commission	\$1,208,544	\$267,060	22.1%	\$32,780,183	\$2,464,197	7.5%	\$0	\$0	0.0%
Environmental Health Hazard Assessment	\$333,650	\$51,427	15.4%	\$114,095	\$5,473	4.8%	\$0	\$0	0.0%
Fair Employment & Housing	\$459,291	\$13,318	2.9%	\$68,695	\$13,468	19.6%	\$0	\$0	0.0%
Finance	\$340,966	\$36,811	10.8%	\$154,887	\$296	0.2%	\$0	\$0	0.0%
Financial Institutions	\$305,483	\$107,165	35.1%	\$244,509	\$23,240	9.5%	\$0	\$0	0.0%
Fish & Game	\$3,044,676	\$171,489	5.6%	\$36,938,472	\$849,595	2.3%	\$565,101	\$0	0.0%

Department	Commodity			Service			Construction		
	Total Contract Dollars	Small Business Contract Dollars	Dept SB %	Total Contract Dollars	Small Business Contract Dollars	Dept SB %	Total Contract Dollars	Small Business Contract Dollars	Dept SB %
Food & Agriculture	\$8,743,714	\$8,743,714	100.0%	\$3,674,434	\$289,248	7.9%	\$13,650	\$0	0.0%
Forestry & Fire Protection	\$6,472,060	\$570,592	8.8%	\$2,813,094	\$285,995	10.2%	\$152,721	\$30,772	20.1%
Franchise Tax Board	\$52,236,905	\$2,060,149	3.9%	\$13,320,159	\$2,299,811	17.3%	\$35,000	\$35,000	100.0%
General Services	\$343,623,292	\$100,954,471	29.4%	\$62,293,899	\$2,794,705	4.5%	\$169,637,561	\$15,699,624	9.3%
Health & Welfare Data Center	\$31,499,225	\$2,024,802	6.4%	\$118,689,891	\$26,363,885	22.2%	\$0	\$0	0.0%
Health Services	\$26,466,788	\$2,129,116	8.0%	\$129,024,653	\$4,814,469	3.7%	\$48,090	\$48,090	100.0%
Horse Racing Board	\$132,879	\$34,903	26.3%	\$2,622,501	\$0	0.0%	\$0	\$0	0.0%
Housing & Community Development	\$1,678,997	\$171,953	10.2%	\$1,498,118	\$1,500	0.1%	\$0	\$0	0.0%
Housing Finance Agency	\$0	\$0	0.0%	\$0	\$0	0.0%	\$0	\$0	0.0%
Industrial Relations	\$4,199,511	\$279,860	6.7%	\$2,749,613	\$64,665	2.4%	\$0	\$0	0.0%
Insurance	\$3,788,456	\$687,674	18.2%	\$5,656,892	\$250,672	4.4%	\$0	\$0	0.0%
Integrated Waste Management Board	\$1,325,340	\$323,702	24.4%	\$2,353,375	\$253,789	10.8%	\$4,235,600	\$0	0.0%
Justice	\$8,905,078	\$1,114,710	12.5%	\$27,183,268	\$4,898,877	18.0%	\$108,141	\$2,327	2.2%
Managed Risk Medical Insurance Board	\$254,046	\$18,286	7.2%	\$17,210	\$500	2.9%	\$0	\$0	0.0%

Department	Commodity			Service			Construction		
	Total Contract Dollars	Small Business Contract Dollars	Dept SB %	Total Contract Dollars	Small Business Contract Dollars	Dept SB %	Total Contract Dollars	Small Business Contract Dollars	Dept SB %
Mental Health	\$84,518,168	\$3,091,581	3.7%	\$13,523,213	\$1,204,520	8.9%	\$1,167,857	\$684,750	58.6%
Military	\$3,296,651	\$128,474	3.9%	\$2,639,703	\$662,914	25.1%	\$600,863	\$115,825	19.3%
Motor Vehicles	\$22,768,249	\$6,464,643	28.4%	\$33,595,960	\$5,335,369	15.9%	\$4,076,431	\$1,618,484	39.7%
Parks & Recreation	\$20,707,081	\$1,536,616	7.4%	\$8,221,067	\$396,274	4.8%	\$25,254,822	\$3,443,550	13.6%
Peace Officer Standards and Training	\$657,008	\$156,472	23.8%	\$12,867,005	\$217,006	1.7%	\$0	\$0	0.0%
Personnel Administration	\$649,401	\$0	0.0%	\$3,025,966	\$756,891	25.0%	\$0	\$0	0.0%
Pesticide Regulation	\$2,157,462	\$799,897	37.1%	\$1,565,443	\$3,965	0.3%	\$0	\$0	0.0%
Prison Industry Authority	\$45,363,624	\$7,876,155	17.4%	\$16,380,910	\$1,300,477	7.9%	\$0	\$0	0.0%
Public Defender's Office	\$803,634	\$160,665	20.0%	\$1,198,970	\$54,135	4.5%	\$0	\$0	0.0%
Public Employees Retirement System	\$8,838,636	\$1,547,574	17.5%	\$86,780,822	\$188,987	0.2%	\$0	\$0	0.0%
Real Estate	\$872,806	\$61,623	7.1%	\$805,031	\$21,448	2.7%	\$0	\$0	0.0%
Real Estate Appraisers	\$73,500	\$17,632	24.0%	\$13,385	\$1,463	10.9%	\$0	\$0	0.0%
Rehabilitation	\$13,562,256	\$290,091	2.1%	\$684,983	\$81,350	11.9%	\$0	\$0	0.0%
Secretary of State	\$835,402	\$86,286	10.3%	\$3,290,038	\$103,582	3.1%	\$0	\$0	0.0%

Department	Commodity			Service			Construction		
	Total Contract Dollars	Small Business Contract Dollars	Dept SB %	Total Contract Dollars	Small Business Contract Dollars	Dept SB %	Total Contract Dollars	Small Business Contract Dollars	Dept SB %
Social Services	\$5,321,844	\$917,504	17.2%	\$12,359,625	\$2,934,579	23.7%	\$0	\$0	0.0%
State Board of Control	\$1,404,417	\$228,073	16.2%	\$5,786,133	\$34,665	0.6%	\$0	\$0	0.0%
State Lands Commission	\$651,445	\$11,046	1.7%	\$267,274	\$0	0.0%	\$117,703	\$87,881	74.7%
State Personnel Board	\$769,056	\$5,989	0.8%	\$949,449	\$776,083	81.7%	\$0	\$0	0.0%
State Treasurer	\$1,697,765	\$132,340	7.8%	\$1,530,469	\$142,872	9.3%	\$0	\$0	0.0%
Statewide Health Planning & Development	\$2,089,111	\$359,533	17.2%	\$276,685	\$243,891	88.1%	\$0	\$0	0.0%
Student Aid Commission	\$1,377,499	\$218,678	15.9%	\$24,581,227	\$724,512	2.9%	\$0	\$0	0.0%
Summer School for the Arts	\$24,139	\$0	0.0%	\$919,901	\$0	0.0%	\$0	\$0	0.0%
Teachers' Retirement System	\$4,498,410	\$1,381,973	30.7%	\$4,198,120	\$327,480	7.8%	\$15,000	\$0	0.0%
Teale Data Center	\$4,899,263	\$418,584	8.5%	\$12,453,363	\$76,748	0.6%	\$0	\$0	0.0%
Toxic Substances Control	\$2,426,846	\$85,403	3.5%	\$9,220,181	\$1,560,517	16.9%	\$0	\$0	0.0%
Traffic Safety Program	\$62,583	\$2,419	3.9%	\$1,240,651	\$1,000	0.1%	\$0	\$0	0.0%
Transportation	\$102,388,188	\$14,376,171	14.0%	\$165,116,710	\$4,297,150	2.6%	\$425,783,879	\$40,821,117	9.6%
Veterans Affairs	\$3,100,535	\$237,005	7.6%	\$6,830,579	\$173,832	2.5%	\$110,841	\$0	0.0%

Department	Commodity			Service			Construction		
	Total Contract Dollars	Small Business Contract Dollars	Dept SB %	Total Contract Dollars	Small Business Contract Dollars	Dept SB %	Total Contract Dollars	Small Business Contract Dollars	Dept SB %
Water Resources	\$41,297,368	\$6,272,058	15.2%	\$42,702,364	\$1,439,496	3.4%	\$45,360,032	\$3,471,401	7.7%
Water Resources Control Board	\$4,261,508	\$270,066	6.3%	\$5,007,697	\$111,972	2.2%	\$0	\$0	0.0%
Youth Authority	\$15,004,876	\$1,414,384	9.4%	\$11,739,655	\$695,085	5.9%	\$2,584,360	\$18,008	0.7%

**Statewide Totals
by Contract Type**

\$1,342,728,359	\$239,920,927	17.9%	\$1,853,943,504	\$107,403,531	5.8%	\$761,054,148	\$83,288,118	10.9%
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SMALL BUSINESS PARTICIPATION BY DEPARTMENT AND AGENCY

Small Business Participation
By Agency
FY 98/99

Agency	Total Contract Dollars	Small Business Contract Dollars	Agency Small Business %
Business Transportation & Housing	\$797,761,873	\$80,283,771	10.1%
California State University	\$277,197,907	\$24,966,555	9.0%
Environmental Protection	\$51,419,080	\$6,397,608	12.4%
Health & Welfare	\$542,030,085	\$71,365,297	13.2%
Other	\$327,959,386	\$40,573,698	12.4%
Resources	\$281,704,082	\$25,761,089	9.1%
State & Consumer Services	\$839,497,440	\$130,750,606	15.6%
Trade & Commerce	\$20,567,129	\$4,990,140	24.3%
Youth & Adult Correctional	\$819,589,028	\$45,523,812	5.6%
STATEWIDE TOTALS	\$3,957,726,011	\$430,612,576	10.9%

Small Business Participation
By Agency and Department
FY 98/99

Agency and Department	Total Contract Dollars	Small Business Contract Dollars	Department Small Business %
Business Transportation & Housing			
Alcoholic Beverage Control	\$466,893	\$78,305	16.8%
Business, Transportation, Housing Agency	\$249,776	\$6,061	2.4%
California Highway Patrol	\$15,524,487	\$5,654,208	36.4%
Corporations	\$3,643,611	\$727,488	20.0%
Financial Institutions	\$549,992	\$130,405	23.7%
Housing & Community Development	\$3,177,115	\$173,453	5.5%
Housing Finance Agency	\$0	\$0	0.0%
Motor Vehicles	\$60,440,640	\$13,418,496	22.2%
Real Estate	\$1,677,837	\$83,071	5.0%
Real Estate Appraisers	\$86,885	\$19,095	22.0%
Teale Data Center	\$17,352,626	\$495,332	2.9%
Traffic Safety Program	\$1,303,234	\$3,419	0.3%
Transportation	\$693,288,777	\$59,494,438	8.6%
Business Transportation & Housing Totals	\$797,761,873	\$80,283,771	10.1%

Agency and Department	Total Contract Dollars	Small Business Contract Dollars	Department Small Business %
California State University			
California State University	\$277,197,907	\$24,966,555	9.0%
California State University Totals	\$277,197,907	\$24,966,555	9.0%
Environmental Protection			
Air Resources Board	\$18,010,732	\$2,915,205	16.2%
California Environmental Protection Agency	\$407,151	\$16,192	4.0%
Environmental Health Hazard Assessment	\$447,745	\$56,900	12.7%
Integrated Waste Management Board	\$7,914,315	\$577,491	7.3%
Pesticide Regulation	\$3,722,905	\$803,862	21.6%
Toxic Substances Control	\$11,647,027	\$1,645,920	14.1%
Water Resources Control Board	\$9,269,205	\$382,038	4.1%
Environmental Protection Totals	\$51,419,080	\$6,397,608	12.4%

Agency and Department	Total Contract Dollars	Small Business Contract Dollars	Department Small Business %
Health & Welfare			
Alcohol & Drug Programs	\$3,158,157	\$812,269	25.7%
Community Services & Development	\$1,025,702	\$99,420	9.7%
Developmental Services	\$53,180,571	\$18,308,775	34.4%
Emergency Medical Services Authority	\$276,309	\$61,386	22.2%
Employment Development Department	\$45,156,957	\$6,895,286	15.3%
Health & Welfare Data Center	\$150,189,116	\$28,388,687	18.9%
Health Services	\$155,539,531	\$6,991,675	4.5%
Mental Health	\$99,209,238	\$4,980,851	5.0%
Rehabilitation	\$14,247,239	\$371,441	2.6%
Social Services	\$17,681,469	\$3,852,083	21.8%
Statewide Health Planning & Development	\$2,365,796	\$603,424	25.5%
Health & Welfare Totals	\$542,030,085	\$71,365,297	13.2%

Agency and Department	Total Contract Dollars	Small Business Contract Dollars	Department Small Business %
Other			
Board of Equalization	\$14,850,858	\$4,742,614	31.9%
California Arts Council	\$166,713	\$36,639	22.0%
California Community Colleges	\$183,520	\$104,775	57.1%
California Exposition and State Fair	\$6,732,184	\$780,803	11.6%
California Lottery	\$47,810,826	\$1,948,351	4.1%
California State Library	\$1,946,441	\$296,323	15.2%
Commission on Aging	\$0	\$0	0.0%
Commission on State Mandates	\$99,824	\$8,439	8.5%
Commission on Teacher Credentialing	\$9,991,945	\$495,913	5.0%
Criminal Justice Planning	\$1,352,946	\$380,558	28.1%
Education	\$30,297,832	\$1,037,855	3.4%
Emergency Services	\$5,443,963	\$682,313	12.5%
Fair Employment & Housing	\$527,986	\$26,786	5.1%
Finance	\$495,853	\$37,107	7.5%
Food & Agriculture	\$12,431,798	\$9,032,962	72.7%
Horse Racing Board	\$2,755,380	\$34,903	1.3%
Industrial Relations	\$6,949,124	\$344,525	5.0%
Insurance	\$9,445,348	\$938,346	9.9%
Justice	\$36,196,487	\$6,015,914	16.6%

Agency and Department	Total Contract Dollars	Small Business Contract Dollars	Department Small Business %
Managed Risk Medical Insurance Board	\$271,256	\$18,786	6.9%
Military	\$6,537,217	\$907,213	13.9%
Peace Officer Standards and Training	\$13,524,013	\$373,478	2.8%
Personnel Administration	\$3,675,367	\$756,891	20.6%
Prison Industry Authority	\$61,744,534	\$9,176,632	14.9%
Public Defender's Office	\$2,002,604	\$214,800	10.7%
Secretary of State	\$4,125,440	\$189,868	4.6%
State Board of Control	\$7,190,550	\$262,738	3.7%
State Lands Commission	\$1,036,422	\$98,927	9.5%
State Treasurer	\$3,228,234	\$275,212	8.5%
Student Aid Commission	\$25,958,726	\$943,190	3.6%
Summer School for the Arts	\$944,040	\$0	0.0%
Veterans Affairs	\$10,041,955	\$410,837	4.1%
Other Totals	\$327,959,386	\$40,573,698	12.4%

Agency and Department	Total Contract Dollars	Small Business Contract Dollars	Department Small Business %
Resources			
Boating & Waterways	\$4,702,065	\$3,385,982	72.0%
California Coastal Commission	\$221,681	\$51,937	23.4%
California Conservation Corps	\$7,811,941	\$795,272	10.2%
Coastal Conservancy	\$1,450,810	\$328,803	22.7%
Energy Commission	\$33,988,727	\$2,731,257	8.0%
Fish & Game	\$40,548,249	\$1,021,084	2.5%
Forestry & Fire Protection	\$9,437,875	\$887,359	9.4%
Parks & Recreation	\$54,182,970	\$5,376,440	9.9%
Water Resources	\$129,359,764	\$11,182,955	8.6%
Resources Totals	\$281,704,082	\$25,761,089	9.1%
State & Consumer Services			
Building Standards Commission	\$1,755	\$1,755	100.0%
Consumer Affairs	\$92,299,376	\$2,677,005	2.9%
Franchise Tax Board	\$65,592,064	\$4,394,960	6.7%
General Services	\$575,554,752	\$119,448,800	20.8%
Public Employees Retirement System	\$95,619,458	\$1,736,561	1.8%
State Personnel Board	\$1,718,505	\$782,072	45.5%
Teachers' Retirement System	\$8,711,530	\$1,709,453	19.6%
State & Consumer Services Totals	\$839,497,440	\$130,750,606	15.6%

Agency and Department	Total Contract Dollars	Small Business Contract Dollars	Department Small Business %
Trade & Commerce			
California Trade & Commerce Agency	\$20,567,129	\$4,990,140	24.3%
Trade & Commerce Totals	\$20,567,129	\$4,990,140	24.3%
Youth & Adult Correctional			
Board of Corrections	\$38,160	\$8,692	22.8%
Board of Prison Terms	\$1,256,966	\$300,369	23.9%
Corrections	\$788,965,011	\$43,087,274	5.5%
Youth Authority	\$29,328,891	\$2,127,477	7.3%
Youth & Adult Correctional Totals	\$819,589,028	\$45,523,812	5.6%
TOTALS	\$3,957,726,011	\$430,612,576	10.9%